

HOUSE BILL 1676
By Fitzhugh

AN ACT to amend Tennessee Code Annotated, Title 4; Title 13;
Title 64 and Title 67, relative to economic development.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 4-17-402, is amended by deleting that section in its entirety and by substituting instead the following language:

It is hereby found and declared by the general assembly that:

(1) There is a need to enhance economic activity in the municipalities of this state by attracting manufacturing, development, agribusiness, export trade, business enterprise management, and other activities conducive to economic promotion in order to provide a stronger, more balanced, and stable economy in the municipalities of the state;

(2) A significant portion of businesses located in the municipalities of the state or desiring to locate in the municipalities of the state encounter difficulty in obtaining financing on terms competitive with those available to businesses located in other states or are unable to obtain such financing at all;

(3) The difficulty in obtaining such financing impairs the expansion of economic activity and the creation of jobs and income in municipalities throughout the state;

(4) The businesses most often affected by these financing difficulties are small businesses critical to the economic development of the municipalities of this state;

(5) The economic well-being of the people in, and the commercial and industrial

resources of, the municipalities of this state would be enhanced by the provision of financing to businesses on terms competitive with those available in the most developed financial markets worldwide;

(6) In order to improve the prosperity and welfare of the municipalities of this state and its inhabitants, to improve and promote the financing of projects related to the economic development of the municipalities of this state, and to increase the purchasing power and opportunities for gainful employment of citizens of the municipalities of this state, it is necessary and in the public interest to facilitate the financing of such projects as provided for in this part, and to do so without regard to the boundaries between municipalities, special districts, and other local governmental bodies or agencies in order to more effectively and efficiently serve the interests of the greatest number of people in the widest area practicable;

(7) In order to promote and stimulate development and advance the business prosperity and economic welfare of the municipalities of this state and its inhabitants, including the encouragement of minority participation therein; to encourage and assist new business and industry in this state through loans, investments, or other business transactions; to rehabilitate and assist existing businesses; to stimulate and assist in the expansion of all kinds of business activity; and to create maximum opportunities for employment, encouragement of thrift, and improvement of the standard of living of the citizens of Tennessee, it is necessary and in the public interest to facilitate the cooperation and action between organizations, public and private, in the promotion, development, and conduct of all kinds of business activity in this state;

(8) In order to efficiently and effectively achieve the purposes of this part, it is necessary and in the public interest to create a special industrial finance corporation to act in the promotion and advancement of projects related to economic development throughout this state, such corporation to conduct its business as a joint effort of the public and private sectors;

(9) The purposes to be achieved by the special industrial finance corporation

through such projects and such financings of business and industry in compliance with the criteria and the requirements of this part are predominantly the public purposes stated in this section, and such purposes implement the governmental purposes under the Constitution of Tennessee providing for the health, safety, and welfare of the citizens of the state; and

(10) Such purposes shall include, but not be limited to, emphasis on increasing business opportunities in rural areas, including business relocation and expansion, and providing additional assistance for rehabilitation of existing business and industry; and

(11) This chapter shall be liberally construed in conformity with such intention.

SECTION 2. Tennessee Code Annotated, Title 4, Chapter 17, Part 4, is amended by adding the following language as a new, appropriately designated section:

§ 4-17-416.

The corporation is specifically directed to assign priority to projects and activities that will increase business opportunities in rural areas, including business relocation and expansion, and provide additional assistance for rehabilitation of existing business and industry.

SECTION 3. This act shall take effect July 1, 2005, the public welfare requiring it.